

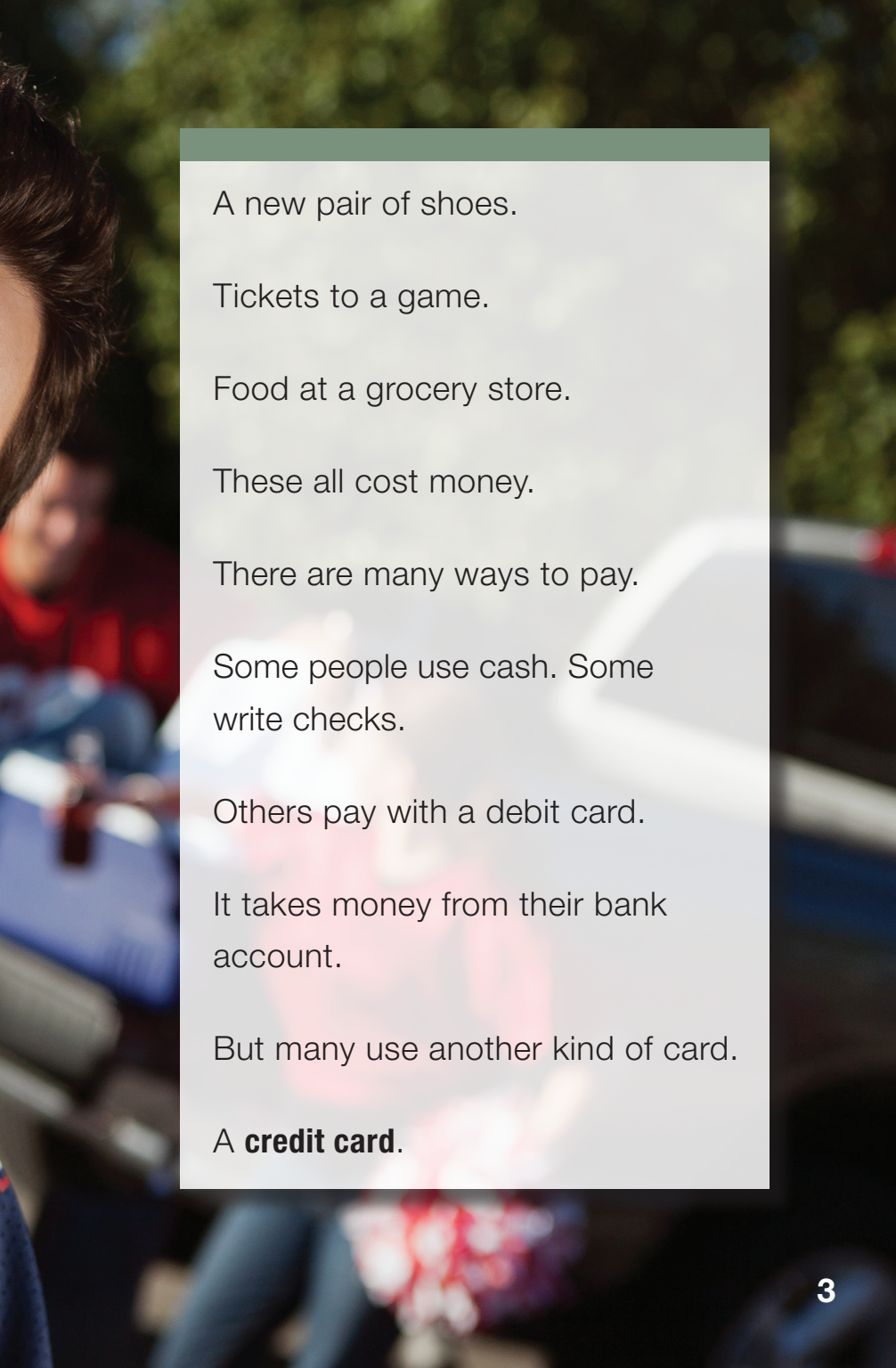
LIFESKILLS IN ACTION

**MONEY
SKILLS+**

**Managing
Credit**

JILL HANEY





A new pair of shoes.

Tickets to a game.

Food at a grocery store.

These all cost money.

There are many ways to pay.

Some people use cash. Some write checks.

Others pay with a debit card.

It takes money from their bank account.

But many use another kind of card.

A **credit card**.

What is a credit card?

It looks like a debit card.

But it does not work the same way.

A credit card may be from a store.

It may be from a bank.

People use it to pay for things.

This is called **making charges**.





But the money does not come from their bank.

The credit card company pays the store.

It is a loan. People are borrowing the money.

They will get a bill later.

They must pay the credit card company back.

It seems easy.

You can get things **now**.

You pay **later**.

This can really help you out.

You might need something.

Like food. Or gas.

But you are out of cash.

You have a job. Payday is next week.

But you need the food or gas now.

So you use a credit card.

You borrow the money.

This lets you get what you need now.





Then you can pay the bill later.

You will have money then.

HIGH COST



PJ Gray

“You have mail,” said Kim’s mom.

Kim was sitting at the kitchen table. She had to go to work soon.

Kim was looking at her cell phone. There were a lot of photos from last night. The party was fun. She looked good in her cap and gown.

High school was over for Kim. She still lived with her mom. But she hoped to move out soon. She wanted her own place.

Kim's mom sat down. "Did you see your mail?" she asked.

Kim opened her mail. It was her new credit card.

"A credit card?" Kim's mom asked. "Is that a good idea?"

Kim rolled her eyes. “Why not?” Kim asked.
“Don’t you trust me?”

“It’s not that,” her mom said.

Kim rolled her eyes. “Sure,” she said. “If you say so.”

Kim got up. She grabbed her purse and car keys. “I have to go to work.”

Her mom grabbed her arm. “Wait,” her mom said. “Let’s talk about this.”

“Why?” Kim asked. “I’m not a kid.”

“I know that,” her mom replied.

Kim was mad. Her mom should trust her.
She was an adult now.

She had a job. She had worked at the jeans store for two years. She paid for her cell phone bill. She bought some of her own clothes. She drove her mom's old car. She bought her own gas.

“Please sit down,” her mom asked. “Just for a second.”

Kim sat down again. Her mom looked at her. “Why do you want a card?”

Kim did not speak at first. She was thinking.

HIGH COST

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